August 8, 2022

TO: Rajinder Sahota, Deputy Executive Officer, California Air Resources Board
FR: Adam Comora, Co-Chief Executive Officer, OPAL Fuels, LLC
RE: Public Workshop to Discuss Potential Changes to the LCFS Regulation (July 7, 2022)

Dear Ms. Sahota,

OPAL Fuels, LLC (OPAL) appreciates the public comment opportunity the California's Air Resource Board (CARB) is providing stakeholders in response to the recent public workshop that discussed potential changes to the current Low Carbon Fuel Standard (LCFS) regulation.

OPAL is a renewable energy company specializing in the capture and conversion of biogas for the production of renewable natural gas (RNG) for use as a vehicle fuel for heavy and medium-duty trucking fleets, and the generation of renewable power for sale to utilities. OPAL also designs, develops, constructs, operates and services fueling stations for trucking fleets across the country that use natural gas to displace diesel as their transportation fuel. The biogas conversion projects currently use landfill gas and dairy manure as the source of the biogas. In addition, OPAL has recently begun implementing design, development, and construction services for hydrogen fueling stations.

As of May 1, 2022, OPAL owns and operates 24 biogas projects, five of which are RNG projects and 19 of which are renewable power projects. Additionally, OPAL currently has seven RNG projects under construction.

OPAL recognizes the great success CARB has achieved in effectively carrying out the LCFS program, attracting global investments in California's transportation and fuels markets and attaining an even greater reduction in transportation fuel carbon intensity than targeted. OPAL appreciates the work CARB staff has done to manage this program and looks forward to continuing to work with the agency on sustained efforts to leverage the LCFS as a critical market driver for the energy transition.

As CARB noted in its July 7th presentation, the LCFS provides crucial long-term price signals to investors and producers looking to deploy low-carbon fuels projects. OPAL encourages CARB to pursue proposed strategies that will stabilize prices for these stakeholders and move the State closer to its GHG reduction targets, such as:

- **Setting carbon intensity reduction targets through 2035**. This timeline will offer at least a 10-year outlook on the market and more certainty for investors moving forward. Regarding the agency's question about setting five-year interim targets after 2030, it would be more strategic for CARB to set carbon reduction targets for 2035-2045 after 2030. At that time, the targets will be better informed based on the best available technology.

- **Taking aggressive action to create strong carbon intensity reduction targets**. California faces a dauting challenge in meeting its climate goals and must make use of every available greenhouse gas reduction opportunity. At the same time, the LCFS program has proven that a strong price on carbon will attract investment into new technologies that accelerate the decarbonization of the state's transportation sector. The program has worked so well that credit generation has now exceeded compliance requirements for the past five quarters. Unfortunately, the resulting credit surplus has driven down credit prices, creating a disincentive for further investment. CARB must act quickly to set new aggressive reduction targets for 2030 (at least 30%, as discussed by CARB staff) as well as a new aggressive cap for 2035. Strong increases in the LCFS carbon intensity targets will not only benefit the environment, but they will also help create a stable market signal to spur further investment into zero carbon transportation solutions.

Again, OPAL thanks and commends CARB for considering our comments in response to potential changes to the LCFS program. We welcome further discussion and are happy to answer any follow-up questions.

Sincerely,

Adam Comora

Adam Comora
Co-Chief Executive Officer
OPAL Fuels LLC